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WESTPAC HOUSING SENTIMENT BULLETIN

Latest insights on the Australian consumer

Key points

- Westpac Housing Sentiment Index down 2.2% to 83.2.
- Index measures and new questions add timely gauges to housing cycle.
- Housing-related sentiment remains very weak but a touch above 2022 low.
- Latest monthly fall centred on a sharp downgrade in price expectations.
- State measures show larger deterioration in WA, milder read in Victoria.
- Nearly 13% of Australians planning to buy a home next year, matching 2025 high.
- Just 8.2% plan to sell a home, lowest since 2024.

Housing Sentiment Index



"The Housing Sentiment Index declined 2.2% to 83.2 in November from 85.3 in October."

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Housing sentiment sinks but buying intentions positive



Matthew Hassan
Head of Australian Macro-Forecasting

The Westpac Housing Sentiment Index fell 2.2% to 83.2 in November from 85.3 in October.

The Index is a composite based on housing-related sentiment measures from the **Westpac-Melbourne Institute Consumer Sentiment** survey. It already appears regularly in Westpac's Housing Pulse reports but will now be published on a monthly basis. The Index has proven to be an extremely useful predictor of turning points in housing markets, both nationally and across states. Westpac is also introducing two new survey questions on consumers property buying and selling intentions that will be run every month.

The November update shows housing-related sentiment remains remain deeply pessimistic. At 85.3, the latest Index read is in the bottom 3% of observations since 2005, when all components first became available. That said, it is still above the 81.4 low in late 2022 and the 78.6 registered when the COVID pandemic hit in 2020. Housing-related sentiment was markedly weaker during the slump in the late 1980s/early 1990s.

Component-wise, the November sentiment decline centred on a sharp downgrade to price expectations. As detailed below, the **Westpac Housing Sentiment Index** composite is based on four sub-indexes: one tracking assessments of 'time to buy a dwelling'; one tracking 'consumer house price expectations'; one tracking consumer expectations for unemployment and a measure of risk aversion based on consumer assessments of the 'wisest place for savings'.

Consumer price expectations took a big step down in November. The **Westpac–Melbourne Institute Index of House Price Expectations** recorded a steep 13.4% drop to 99.6, marking the second biggest monthly deterioration since the COVID period and the first net negative (sub-100) read since November 2022. The detailed responses show consumers are now evenly split on the outlook, just over 38% expecting more declines, 19% expecting no change and 38% expecting a rise (5% reported "don't know).

At least some consumers are starting to see lower prices as a potential buying opportunity. The 'time to buy a dwelling' index rose 1.3% to 89.6 in November, to be up 1.3% on a year ago as well but still at a very weak level overall, well below the long run average of 114.

The wider economic backdrop was also less conducive for housing-related sentiment. Consumers continue to report a gradual rise in job-loss fears and risk aversion remains elevated near historic highs. Both factors are likely to be deterring prospective home buyers.

All state Housing Sentiment Indexes are at weak levels. However, November saw a bigger decline in Western Australia (–4.8%mth) which now has the weakest housing-related sentiment index across the major states at just 80.9. Queensland and South Australia moved in line with the national index. Moves were notably milder in New South Wales (–1.7%) and especially Victoria (–0.7%) where the state index, at 86.6, is the least pessimistic of the major states.

The sub-group detail showed a more pronounced weakening in housing-related sentiment amongst high income earners and consumers aged over 55 with sentiment holding about steady amongst low-income earners, albeit at weaker overall levels.

"Despite the broader pessimism around housing, a relatively high number of consumers are planning to buy ..."

Our November consumer sentiment survey also included two new regular questions on consumers' property buying and selling intentions over the next twelve months. These questions will continue to be run every month.

Despite the broader pessimism around housing, a relatively high number of consumers are planning to buy in 2027. Responses show 12.8% of consumers plan to buy a new home over the next year. Comparable figures from Westpac's Home Ownership survey going back to 2019 suggest this is a relatively firm result, up slightly since the middle of the year, on par with the start of 2025 and above the levels reported during the COVID pandemic in 2020-21. The result suggests there is significant 'latent demand' for home purchases in Australia, and that many buyers are just waiting for the right opportunity. The state detail shows intentions are particularly high in Queensland where one in five consumers is reportedly planning to buy in 2027.

Interestingly, the positive intentions are not just around home purchase with 11.2% of consumers reporting that they plan to buy an investment property over the next year. Again, comparable figures from Westpac's Home Ownership survey show this is up a tick compared to May and only marginally below the 11.5% reporting intentions to buy investment properties back in January 2025.

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Conversely, just 8.2% of Australians are planning to sell a home over the next year. Comparable figures from Westpac's Home Ownership survey suggest this is down significantly from 10.3% back in May and near the 7.7% low recorded at the start of 2024.

On investment properties, 6.7% of all those surveyed reported plans to sell. However, only 23% of consumers reported owning an investment property – as a share of this sub-group, the proportion planning to sell is just over 26%. While it is unclear whether this is relatively high (no comparable measures are available from Westpac's Home Ownership survey), a third of this same sub-group reported an intention to buy an investment property over the next year, indicating that amongst investment property owners prospective buyers still outnumber prospective sellers.

Overall, the consumer views on housing show a clear tension. On the one side, high interest rates, a continued slide in prices and unease about a riskier outlook for jobs and the wider economy are weighing heavily on housing-related sentiment. But against this, relatively few are planning to sell and there is a relatively high proportion of consumers looking to buy. This suggests that conditions could recover quite quickly if and when the macro-economic backdrop becomes less threatening and the market starts to stabilise.

About the Westpac Housing Sentiment Index

The Westpac Housing Sentiment Index is a composite measure based on a weighted combination of four indexes from the **Westpac–Melbourne Institute Consumer Sentiment** survey. Two of these are 'primary' components with a higher weight that relate directly to consumer perceptions of housing market conditions: the **Westpac–Melbourne Institute 'time to buy a dwelling' index** and the **Westpac–Melbourne Institute House Price Expectations Index**. The remaining 'supplementary' components, with lower weights, relate to consumer assessments of job security – the **Westpac–Melbourne Institute Unemployment Expectations Index** – and risk appetite – the **Westpac Risk Aversion Index**.

Each of these components is seasonally adjusted, converted to a consistent base and combined using fixed weights determined by historical regression analysis. Note that the house price expectations component is only available from 2009 on – a re-weighted composite based on the remaining measures is used for earlier periods.

The resulting composite measures provide significant insight into housing market conditions both nationally and at the individual state level. The national index has over 50yrs of history and a clear lead indicator relationship with a variety of housing market metrics. The index is particularly good at picking turning points in housing market turnover – correctly anticipating every major upswing and downturn since 1980 with a lead of around three months (four once the timeliness of sentiment updates is included).

Housing Sentiment – November 2026

	avg*	Nov 2024	Nov 2025	Oct 2026	Nov 2026	%mth	%yr
Westpac Housing Sentiment Index	**100.0**	**91.7**	**95.5**	**85.3**	**83.4**	**–2.2**	**–12.7**
Time to buy a dwelling	112.6	86.8	96.4	88.4	89.6	1.3	–7.0
House Price Expectations Index	130.1	150.1	172.4	115.1	99.6	–13.4	–42.2
Unemployment Expectations Index^	129.3	120.5	139.5	142.1	144.4	1.6	3.5
Westpac Risk Aversion Index^	19.4	46.3	44.7	58.4	57.5	–1.5	28.6
Property intentions, next 12 months#	**avg***	**Jun–21**	**Aug–23**	**Jan–24**	**Jan–25**	**May–26**	**Nov–26**
Planning to buy a home	11.8	11.8	12.1	10.3	12.8	12.1	12.8
Planning to sell a home	9.5	9.2	12.1	7.7	9.6	10.3	8.2
Planning to buy an investment property	10.1	10.1	10.2	8.2	11.5	10.5	11.2
Planning to sell an investment property	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.7

Source: Westpac–Melbourne Institute.
* average over series history (to 1975 for most components, to 2009 for 'house price expectations' and 2019 for property intentions);
^ higher reads indicate an increase in unemployment expectations/risk aversion and vice versa; # observations prior to Nov 2026 based on Westpac Home Ownership survey.

The survey is conducted by OZINFO & DYNATA. Respondents are selected at random. This latest survey is based on 1200 adults aged 18 years and over, across Australia. It was conducted in the week from 2 November to 6 November. The data have been weighted to reflect Australia's population distribution. Copyright at all times remains with the Melbourne Institute of Applied Economic and Social Research.

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